CEA ACTION PROPOSAL

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date: 11/9/2022

2. Department: California Energy Commission

3. Organizational Placement (Division/Branch/Office Name)

Energy Assessments Division

4. CEA Position Title

Deputy Director of Emergency Planning and Reliability

5. Summary of proposed position description and how it relates to the program's mission or purpose. (*2-3 sentences)*

The CEA has leadership responsibilities on all aspects of CEC's responsibilities for evaluating grid reliability for the state, including the potential for any grid outages, to inform state procurement of new resources to support reliability and broader energy planning. The CEA also leads the CEC's responsibilities related to energy emergencies, preparing energy emergency preparedness plans and coordinating closely with CalOES during all emergencies. In addition to these key policy areas, the CEA has oversight over fossil fuels assessments, including the transition away from fossil gas, and data integration and visualization. These activities are essential to CEC's mission to assess statewide reliability and provide insights around the impacts of the clean energy transition and policy recommendations to mitigate these impacts.

6. Reports to: (*Class Title/Level*)

Director of Energy Assessments Division (CEA)

7. Relationship with Department Director (*Select one)*

☑ Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.

☐ Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(*Explain*):

8. Organizational Level *(Select one)*

☐ 1st ☐ 2nd ☐ 3rd ☑ 4th ☐ 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The EAD's mission is to provide data, analysis and assessments that inform clean energy policy. The division provides data insights and assessments on system reliability, supply portfolios, and statewide energy demand. The EAD's efforts have rapidly expanded as a result of the state's long term climate goals, the power outages in August 2020 and tight system conditions of summer 2021 and September 2022, and the changing dependency on natural gas and how that system will change to meet climate goals. The EAD needs to make numerous improvements to the models and approaches it uses to adequately address and inform the state's electricity planning process and inform policy. New assessments by the EAD will be paramount to critical policy decisions that will impact statewide reliability, such as the decision to extend the Diablo Canyon Power Plant and once-through cooling plants that are scheduled for retirement.

The CEA will provide policy oversight related to the Clean Energy Reliability Investment Plan and the prioritization of new energy resources that will meet the state's reliability needs. The CEA will also provide policy oversight with EAD for SB 100 modeling and scenario development, and consideration of tradeoffs (e.g., land use, affordability, reliability) between the scenarios. Finally, the CEA will provide policy direction within the EAD on the transition away from fossil fuels, the impacts of these transition on the availability and prices for fossil fuels/energy, and strategies to mitigate market shocks and other repercussions.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- ☑ Program is directly related to department's primary mission and is critical to achieving the department's goals.
- ☐ Program is indirectly related to department's primary mission.
- ☐ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description:

The Energy Assessment Division (EAD) performs modeling activities to support state energy planning proceedings and policy development. Recently, the scope of the modeling activities has expanded in scope and importance, and currently includes:

Electricity system models to assess types of electricity generation resources that need to be built to meet state clean-energy goals, ensure proper system operations, and assess electric system reliability.

Natural gas models to project gas prices for consumers, understand system dynamics (e.g., how much storage of natural gas is needed), and natural gas reliability as well as the reliability of the electric system resulting from the use of natural gas fired power plants.

Demand models to help project what electricity and natural gas will be needed to meet customer demand.

The EAD's key products include the California Demand Forecast, long-term demand scenarios, the SB 100 Joint Agency Report - which explores scenarios that will help California achieve 100 percent zero carbon - reliability analyses, including Summer Stack Analysis, California Reliability Outlook, and Winter Reliability assessment. These products are essential in the integrated statewide energy planning that is being called for in State law and essential to maintain system reliability.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

The EAD's mission is to provide data, analysis and assessments that inform clean energy policy. The division provides data insights and assessments on system reliability, supply portfolios, and statewide energy demand. The EAD's efforts have rapidly expanded as a result of the state's long term climate goals, the power outages in August 2020 and tight system conditions of summer 2021 and September 2022, and the changing dependency on natural gas and how that system will change to meet climate goals. The EAD needs to make numerous improvements to the models and approaches it uses to adequately address and inform the state's electricity planning process and inform policy. New assessments by the EAD will be paramount to critical policy decisions that will impact statewide reliability, such as the decision to extend the Diablo Canyon Power Plant and once-through cooling plants that are scheduled for retirement.

With the new reporting and assessment requirements called for in legislation, the division is receiving 12 new positions and additional funding for external technical support. The EAD is proposing a reorganization to better align with these new requirements and the new positions will be integrated into the new organizational structure.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

Specific examples of policy areas over which the CEA position will be the principal policymaker include:

Reliability:
The CEA has leadership responsibilities on all aspects of CEC's responsibilities for evaluating grid reliability for the state. The information is routinely developed under the direction of the CEA and provided to the Governor and Legislature, upon adoption and approval of Commissioners, to inform the Governor and Legislature on the potential for any grid outages during the challenging summer months of the near term (upcoming summer), mid-term (next five years) and long term (20 years). The analysis informs state procurement of new resources to support reliability. The CEA's policies will determine eligible reliability assets and which resources are to be made available for emergency contingencies and the Strategic Energy Reliability Reserve (created by the 2022 Budget Act). These policy decisions will be used to determine how grid resources are marketed by the California Independent System Operator and inform the market price for the service they provide to the grid. The CEA will annually develop consensus policy recommendations with sister agencies (on the Statewide Advisory Committee on Cooling Water Intake Structures (SACCWIS)) to the State Water Resources Control Board to extend operations of power plants, as part of compliance with the Once Through Cooling Policy, to prevent disruption in the State's electrical power supply.

In 2022, SB 846 was passed to consider extending the life of the Diablo Canyon nuclear power plant (DCNPP). The CEA will propose policy to determine whether operations of the DCNPP are extended for five years beyond the current retirement date of 2025. The CEA's policies will determine which additional resources are designated to support grid reliability while California transitions to new clean energy resources.

Clean Energy Reliability Investment Plan
The CEA oversees the development of the required Clean Energy Reliability Investment Plan (CERIP) (also required by SB 846), by focusing on broader forecasting, analysis, demand and supply, planning, and prioritizing investments that accelerate the deployment of clean energy resources, support load management, assist ratepayers, and increase energy reliability.

Emergency Planning and Response:
Related to the above reliability topic, the CEA also leads the CEC's responsibilities related to energy emergencies, preparing energy emergency preparedness plans and coordinating closely with CalOES during all emergencies. CEC is responsible for identifying potential risks to energy infrastructure (e.g., impacts from wildfire) and developing mitigation plans to support ongoing operations during an emergency (e.g., coordinating fuel transfers to critical infrastructure after an earthquake). The CEA will also be responsible for developing policies and a plan to assess and mitigate physical and cyber threats to energy infrastructure (e.g. South Carolina substation). Vulnerability is very high right now and it is paramount that California develops a plan to reduce these risks, particularly as more sectors move to electrification. The CEC is authorized to direct the Fuel Set Aside Program. When an emergency is called, the CEA will make policy recommendations for fuel allocation for emergency services in the affected region.

The CEA leads data analytics strategies to support the CEC's reliability and emergency planning responsibilities. This includes cross-divisional coordination on data gathering, modeling, and reporting, covering the near-, mid-, and long-term. This requires coordinating the specific modeling tools for each evaluation period and developing potential scenarios to be evaluated. The CEC's analytics of scenarios are used to provide policy recommendations to the Governor and Legislature and provide technical input to CPUC proceedings and utility planning activities.

In addition to these key policy areas, the CEA will have oversight over fossil fuels assessments, including the transition away from fossil gas, and data integration and visualization.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The CEC provides policy leadership and management direction in statewide energy assessments, data visualizations, emergency planning and response; advises leadership on research direction, investment strategy, and complex energy sector technology and policy matters; manages Division programs and projects; leads the development and implementation of Division policies and administrative activities, including managing the Division budget, work plans, and processes; assessing and supporting staff activities and performance; and oversees the Division's activities related to technology transfer and quantification and communication of program benefits; performs the functions of the Director in the Director's absence.

The CEA will have decision-making authority over the technical direction of assignments in their portfolio. The CEA will oversee the finalization of products and policy recommendations for review and approval by the Director, Executive Director, CEC commissioners and/or California Energy Commission, depending on the level of review commensurate to the decision at hand.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

Both. The CEA will implement existing policies, laws, and current programs. However, they will also be required to develop new programs based on regulations and policies, such as the assessment of the value of Diablo Canyon in maintaining grid reliability and investment levels for clean energy resources that could supplant the generation from California's last remaining nuclear power plant.